

State of New Mexico
Energy, Minerals and Natural Resources

1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-21835
5. Indicate Type of Lease Federal STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No. LC 058126
7. Lease Name or Unit Agreement Name Ballard Grayburg San Andres Unit
8. Well Number #3-F
9. OGRID Number 34306
10. Pool name or Wildcat Loco Hills (Queen-Grayburg-San Andres)

RECEIVED
FEB 14 2006
OGU-ARTESIA

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Tandem Energy Corporation

3. Address of Operator
P.O. Box 1559 Midland, TX 79702-1559

4. Well Location
Unit Letter _____ : 1980 _____ feet from the _____ South _____ line and 2080 _____ feet from the _____ East _____ line
Section 6 Township 18S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3616.2' GL

Pit or Below-grade Tank Application or Closure

Pit type earth pit _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: 12 mil Below-Grade Tank: Volume 300 bbls; Construction Material plastic

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: MIT Test <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Well failed MIT test 8/8/05.

10/12/05 Dug 300 bbl working pit. SITP= 600 psi. Bleed down tbg. SION.

10/31/05 MIRU company pulling unit. Unable to release tandem pkrs., (4-1/2" tension pkr. at 2368', Arrowset 1-X pkr. set at 2579'). MIRU wireline. Jet-cut Salta-lined tbg. at 2559'. POOH w/ 10 jts. of spin-coated tbg. Prep to POOH with 3" liner. SION.

11/1/05 Pull up to 3" liner with vent packers. Broke 3" collar. Unable to find 2-3/8" collars. Used 3" pipe cutter. Located 2-3/8" collar. LD liner bottom. Bottom vent pkr. welded to 2-3/8" collar. POOH with tension pkr. and 6-1/2 jts. Salta-lined tbg. SION.

11/2/05 PU 3-3/4" bit and scraper on 2-7/8" work string. RIH to 2559'. POOH with workstring. LD bit & scraper.

11/3/05 RIH w/ RBP and pkr. to 2350'. Set RBP and pkr. at 2319'. Test RBP to 500#. OK. Isolated 4-1/2" csg. leak from 356'-403' at 2 bpm. RIH. Latch on to RBP. POOH LD 2-7/8" workstring and tools.

11/4/05 PU 4-1/2" AD-1 pkr. Bull plug pkr. to test pkr. Unable to get test. SION.

11/5/05 RU testers. RIH w/ 4-1/2" AD-1 pkr. on 76 jts. of 2-3/8" Salta-lined tbg. and spin-coated tbg. testing to 3,000 psi. 95" x 3" csg. patch with double cup vent packers on 10th-14th jt. from surface. Circulate well with 100 bbls FW and pkr. fluid at 1 bpm and 250 psi. Set pkr. at 2362'. Tested to 340 psi for 20 mins. Held. Csg. patch top pkr at 325', bottom pkr. at 419'. SDON.

11/7/05 RDMO company pulling unit. Called Jerry Guy with NMOCD. Set up MIT for 1:30 pm 10/8/05.

11/8/05 MIRU pump truck. Jerry Guy with NMOCD on location. Pressure up to 320 psi and leaked off to 180 psi in 4 mins. Jerry Guy suggested to leave csg. valve open in case had air trapped and to call him if got pressure to hold.

11/9/05 Pump truck on location. Pressured up to 320 psi. Leaked to 240 psi. Tried for 1 hr.

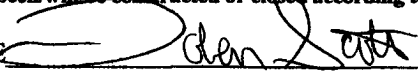
11/11/05 MIRU company pulling unit. WO rig mechanic.

11/15/05 Unseat pkr. MIRU pump truck. Circulate pkr. fluid. Re-set pkr. Ran 30 min chart to 320 psi. and held. Called Van Barton with NMOCD and set up MIT test for 9:00 am 11/16/05. Mr. Barton said to run 30 min chart at no less than 300 psi and to send original pressure chart with Form C-103.

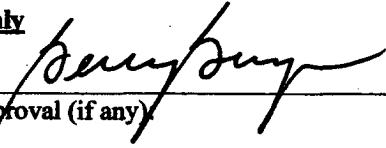
11/16/05 MIRU pump truck. Pressured up to 360 psi and held for 30 mins. MIT not witnessed by NMOCD. RD pump truck.

Final Report
Original pressure chart attached.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE  TITLE VP-Operations DATE 2/10/06

Type or print name Toben Scott E-mail address: tscott@tandem-energy.com Telephone No. 432-686-736 ext. 1102
For State Use Only

APPROVED BY:  TITLE Gerry Guye
Compliance U. DATE 2-17-06
Conditions of Approval (if any)

11 A.M.

12 NOON

1 P.M.

2 P.M.

3 P.M.

4 P.M.

5 P.M.

10 A.M.

DIFFERENTIAL

DIFFERENTIAL

PRESSURE

DIFFERENTIAL

PRESSURE

DIFFERENTIAL

6 P.M.

7 P.M.

10 P.M.

11 P.M.

12 NIGHT

1 A.M.

2 A.M.

CALIBRATED CHARTS
Balanced Gray Bits
 WELL # 003F

METER NUMBER	
TIME PUT ON	M
DATE PUT ON	10-16-2004

TUBE & LOG SIZE	
TIME TAKEN OFF	
DATE TAKEN OFF	D

MW-M 1000-H
 P1000-W100

SIGNED _____

